

Financial Predators Target Military Personnel and Military Families

'Enemy at The Gates'

What is payday lending?

- **Short-term bridge loans**
- **High “interest rates”**
- **Average loan amount of \$270**
- **Collateralized by paycheck**

Who uses pay lenders?

- **Working-class borrowers...not the poor**
- **35 year-old homeowner**
- **Military personnel**

Why should you care?

- **Productivity**
- **Promotions**
- **Security**
- **Doing the right thing**

What's the cost?

FACTOR
AMOUNT

- **Portion of loans to borrowers with 5 or more payday loans per year**
91%
- **2003 Payday Volume**
\$25.0 billion
- **Typical Industry Fee**
15%

What do others have to say?

PRO

- The “democratization of credit”
- “We don’t target the military”

CON

- US troops;...they’re being ambushed
- FDIC issued payday lending guides

What's available to help?

- **Military relief societies**
- **Credit Unions and banks**
- **Consumer Credit Counseling agencies**
- **Financial literacy programs**

What else can be done?

- **Amend Regulation Z**
- **Coordination of efforts**
- **Testimony before Congress**
- **Public/Private financial literacy initiatives**

A proposed model...ARK

- **Meet the immediate need**
- **Financial counseling**
- **Financial education**
- **Follow-up**

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